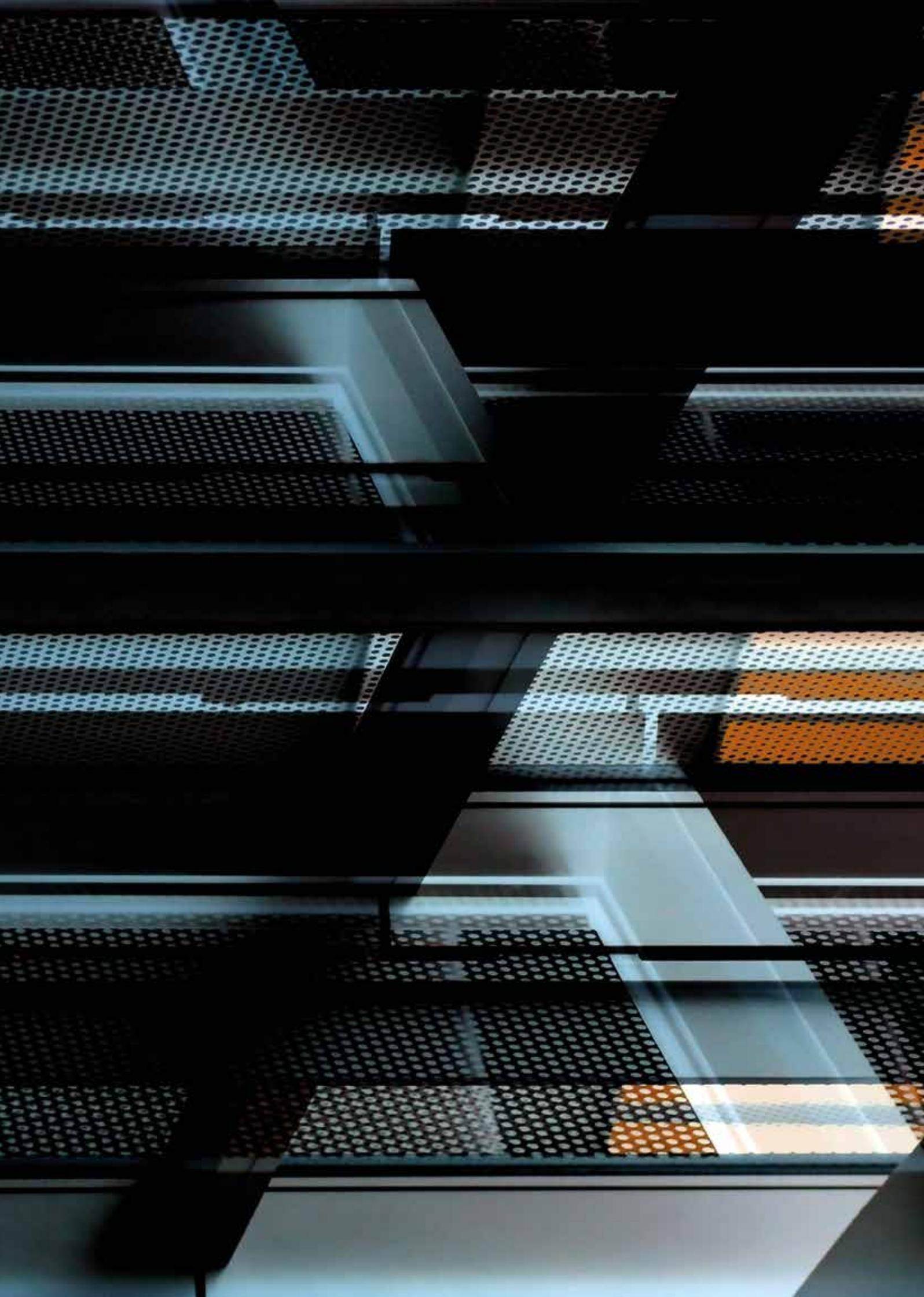


SUSTAINABILITY REPORT



GRUPO

PIÑERO



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Encarna Piñero Executive Vice-President of Grupo Piñero



Dear Colleagues,

It is with pleasure that I present you for the first time with our Sustainability Report, based on our results in the economic, social and environmental dimensions over the past year.

However, before embarking on the environmental and social aspects, allow me to sketch out our economic performance in 2016.

Last year was, once again, characterised by prudent management, resulting in an EBITDA of 195 million euros, higher than our expectations, while our turnover likewise increased by 14%.

These solid results came about in parallel with the efforts we focus on sustainability, dating back to the approval in 2014 of a Corporate Social Responsibility Management System, which marked a turning point for our organisation. Following on from this, we drew up our “CSR Strategic Plan 2015-2018”: the route map for the coming years, through which we expect to achieve major results from both the social and environmental perspectives.

We have ever since been hard at work to extend sustainability to all our companies, incorporating criteria of sustainable and responsible management in their daily operations.

In 2016, we continued these efforts by drawing up an Annual Working Plan, in which we defined the objectives and actions to be undertaken over the course of last year within the context of our 2015-2018 strategy.

In social terms, we continued to make great efforts internally to improve the quality of life of our employees, enhancing their training day by day, and providing them with healthier working environments.

For example, I would like to emphasise the investment of more than 4 million euros in the improvement and adaptation of the staff areas at our hotels in the Caribbean. Meanwhile, our training plans increased the hours dedicated to awareness-raising about sustainability issues by 68% compared with 2015. We have likewise incorporated the “Healthy Company” programme, with a focus on our hotels on the Riviera Maya, involving more than 700 of our colleagues.

As for our social initiatives, in 2016 we dedicated more than €120,000 (19% more than in 2015) to various third-sector organisations in Spain and the Caribbean, focused above all on children and young people.

In the environmental sphere, we have maintained our commitment and developed initiatives that aim to reduce our carbon footprint, improve water management, and make an active contribution to biodiversity conservation around the world. During this year, we in fact defined our commitments in this area, and drew up action plans at 11 Bahia Principe Hotels & Resort establishments.

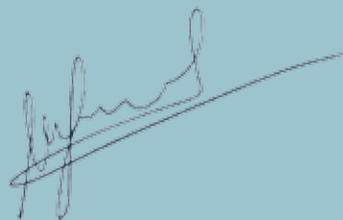
Specifically, in 2016 we managed to reduce the ratio of kilowatt-hours per guest by 6%, saving more than 12,000 MWh across all our hotels, and avoiding more than 5,000 tonnes of CO2 emissions. We likewise reduced the ratio of litres of water per guest by 3.5%, cutting consumption by 147,000 cubic metres, equivalent to the water used by 210,000 customers, while also successfully implementing an Integrated Waste Management plan, which has allowed us to improve the management of more than 1,400 tonnes of waste. Lastly, we achieved 15 certifications at 11 of our hotels in the Caribbean.

Following on from these and other tangible results, we cannot but congratulate ourselves on the distance covered in 2016, while redoubling our efforts in 2017, when we will be collaborating with the International Year of Sustainable Tourism.

All that remains is for me to offer my heartfelt thanks to all those whose dedication, hard work and effort are ensuring that sustainability has taken hold at our organisation, contributing to a dream that is also our mission: to be a leading company in the international tourism sector, making an active contribution to sustainable development.

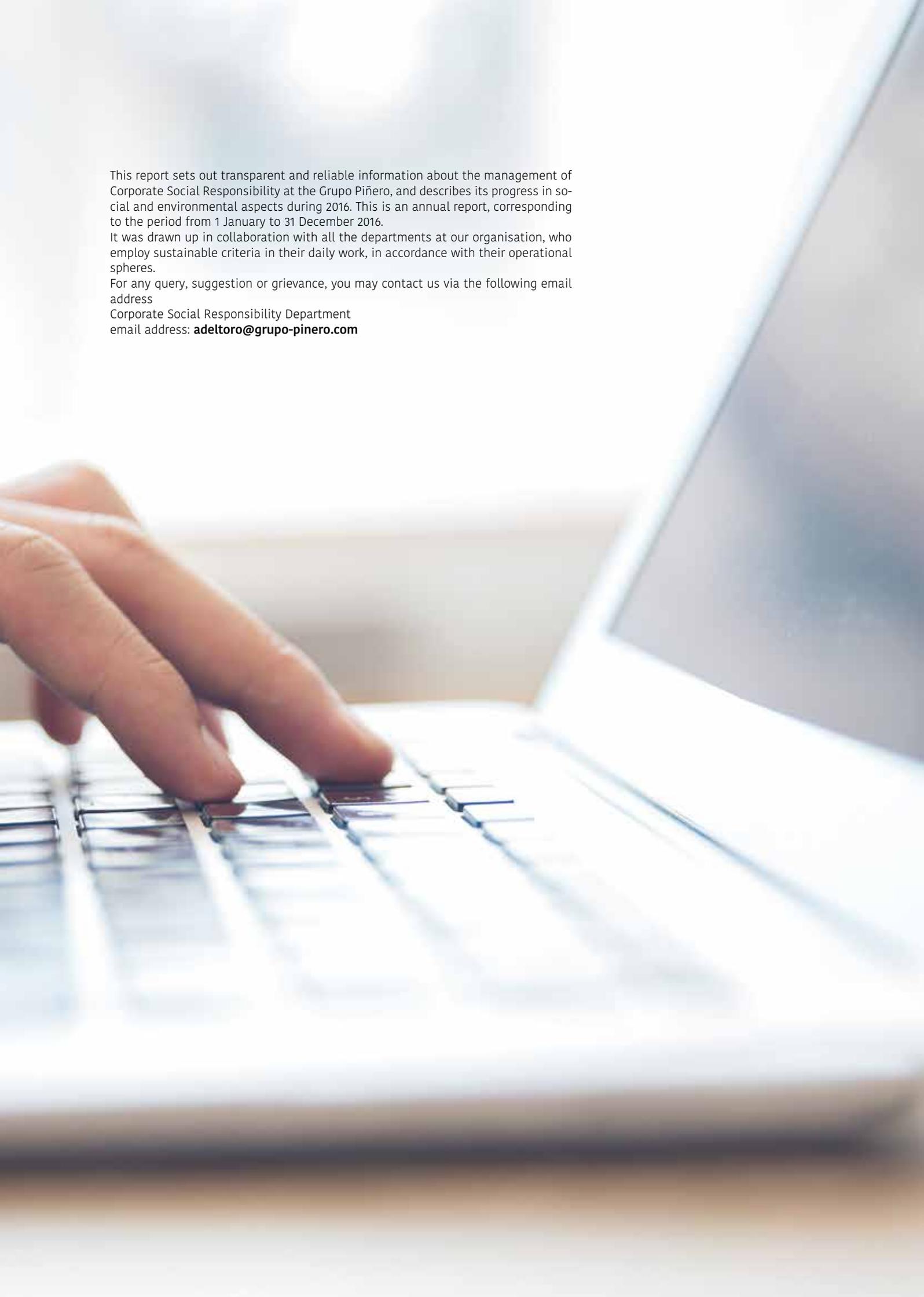
Warmest regards,

Encarna Piñero
Executive Vice-President

A handwritten signature in blue ink, appearing to read 'Encarna Piñero', with a long horizontal line extending to the right.



ABOUT THIS REPORT



This report sets out transparent and reliable information about the management of Corporate Social Responsibility at the Grupo Piñero, and describes its progress in social and environmental aspects during 2016. This is an annual report, corresponding to the period from 1 January to 31 December 2016.

It was drawn up in collaboration with all the departments at our organisation, who employ sustainable criteria in their daily work, in accordance with their operational spheres.

For any query, suggestion or grievance, you may contact us via the following email address

Corporate Social Responsibility Department
email address: adeltoro@grupo-pinero.com

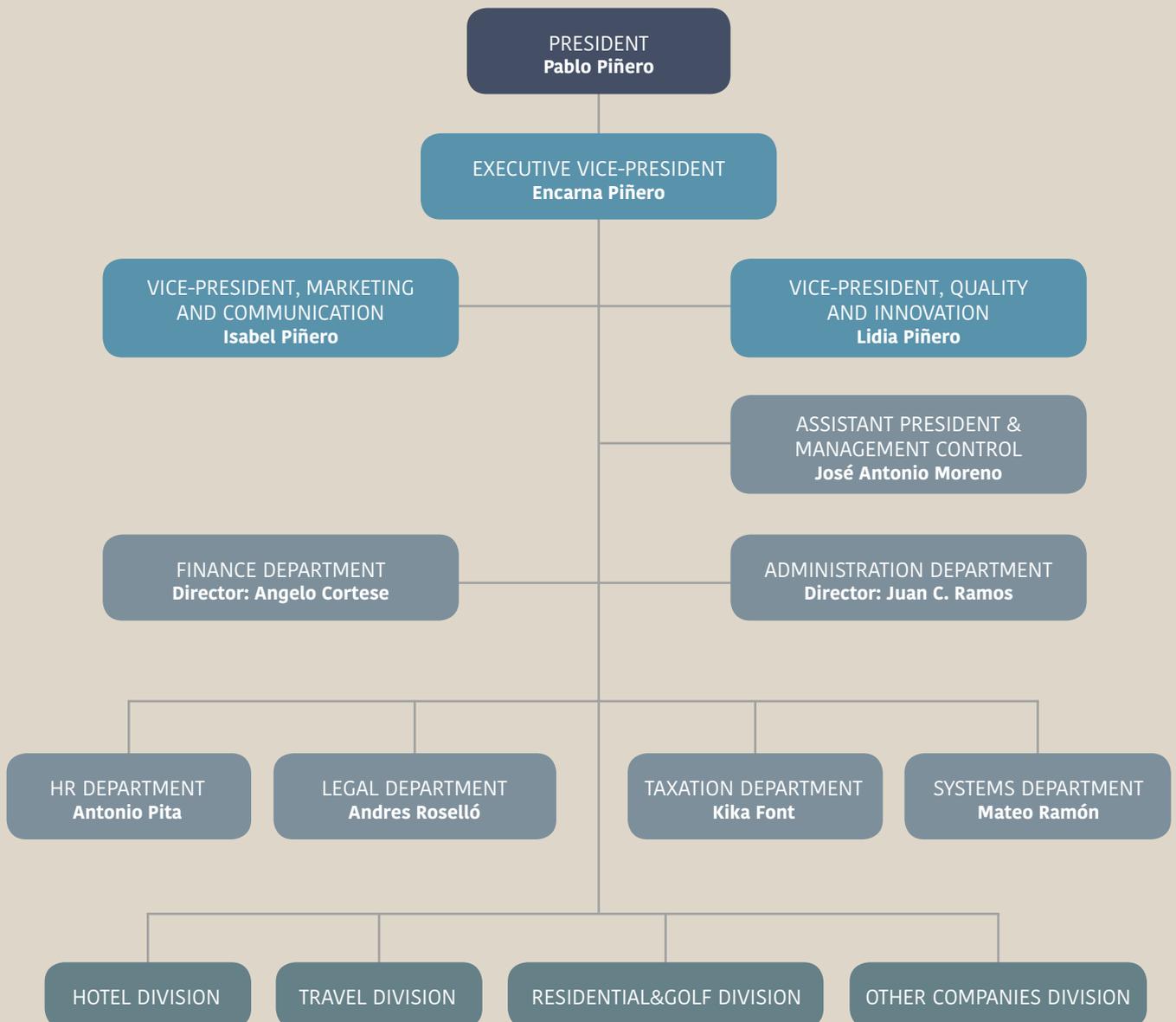
Organisational chart of the company

Grupo Piñero is a group of tourist industry companies (hotels, tour operators, travel agencies and property developers) that have been operating since the 80s in Spain, Portugal and several Caribbean countries (Mexico, Dominican Republic, Jamaica and the USA)

Over the years, Grupo Piñero has gradually added new business divisions and is now a well-established vertically integrated tour operator with a range of business interests. This corporate structure, together with the quality and prestige of the products it markets in all its

branches of activity, has enabled the company to maximise its results and consolidate a steady upward trend in recent years.

Future prospects; The importance of Grupo Piñero is further enhanced by a strong growth potential resulting from the investment policy pursued in recent years.



History and evolution



Hotels Division



Bahia Principe – 4 ****

Their quality levels, location and the variety of their leisure programmes will ensure your best holidays.



Grand Bahia Principe – 5 *****

Exceeds the standard levels of service and facilities for their clients.



Luxury Bahia Principe Don Pablo Collection – 5 *****

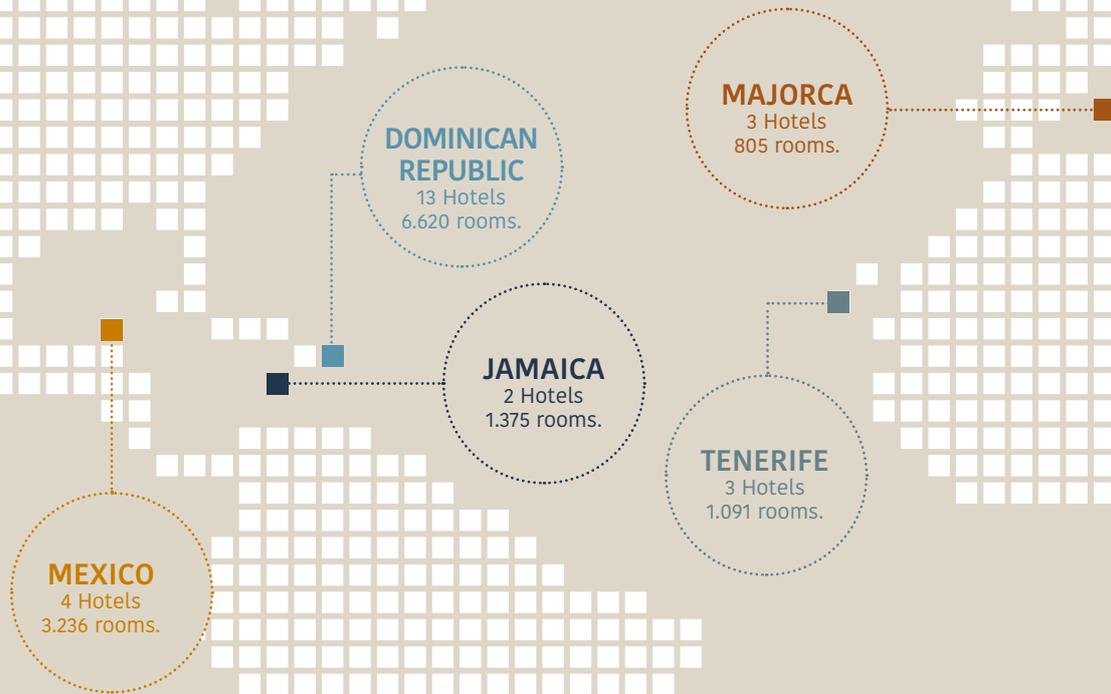
It's the hallmark for the new expression of luxury service, quality and excellent facilities.



Piñero Hoteles – 3 ***

Their great location and equipment are ideal to enjoy your holiday at the Mediterranean.



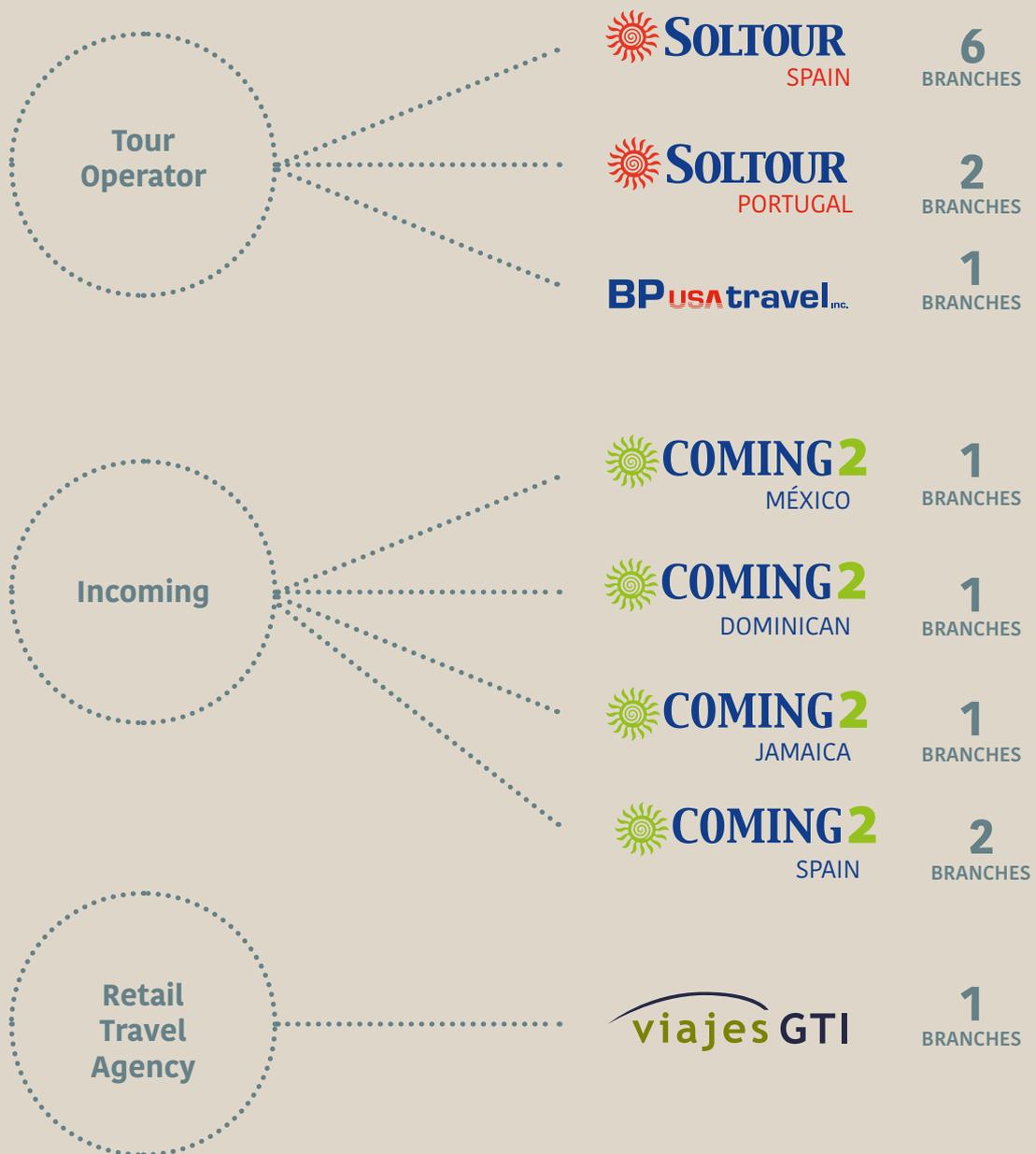


Travel Division

This division was first created by the Tour Operator within the Group, Soltour, being One of the three most important agents in Spain and Portugal, transporting more than 450,000 passengers to year. Added to the tour operator's business, under the Brand Coming2, the receptive services are provided in almost All our destinations, which allows us to add value to our customer service by controlling the quality and profitability of our

products. Having presence, not only in Spain and Portugal, but also in Mexico, Jamaica, Dominican Republic And South America.

As at December 31, 2016, Group Piñero has the following Delegations:



Residential & Golf Division

In order to maximise results and diversify its business activity by optimising its range of products, Grupo Piñero created a property development division. The aim of this business line is to enhance Group-owned land around our resorts with golf courses and residential estates. This enables us to increase client traffic through our resorts, capitalise on Group-owned land and provide hotel guests with new leisure activities.

In addition to this, the constant flow of guest through our hotels supplies our property development division with large numbers of potential clients and increases our competitive edge.

DOMINICAN REPUBLIC

- 1 Grand Bahia Principe San Juan**
Hotel and/or residential area
390.116 m2 Residential
- 2 Grand Bahia Principe San Juan**
Residential/Golf
1.000.612 m2 Hotel (Res) Golf
- 3 Punta Cana**
Plot pending to segregate
150.000 m2
(Hotel/Residential)
- 4 La Romana**
Residential/Golf 4.919.107 m2
- 5 La Romana**
Residential/Golf (op. purchase)
1.402.311m2



MEXICO

- 1 Riviera Maya Residencial Golf Resort**
Residential/Golf
4.630.029 m2
- 2 Akumal - Hotel Jade**
Hotel area
623.152 m2



JAMAICA

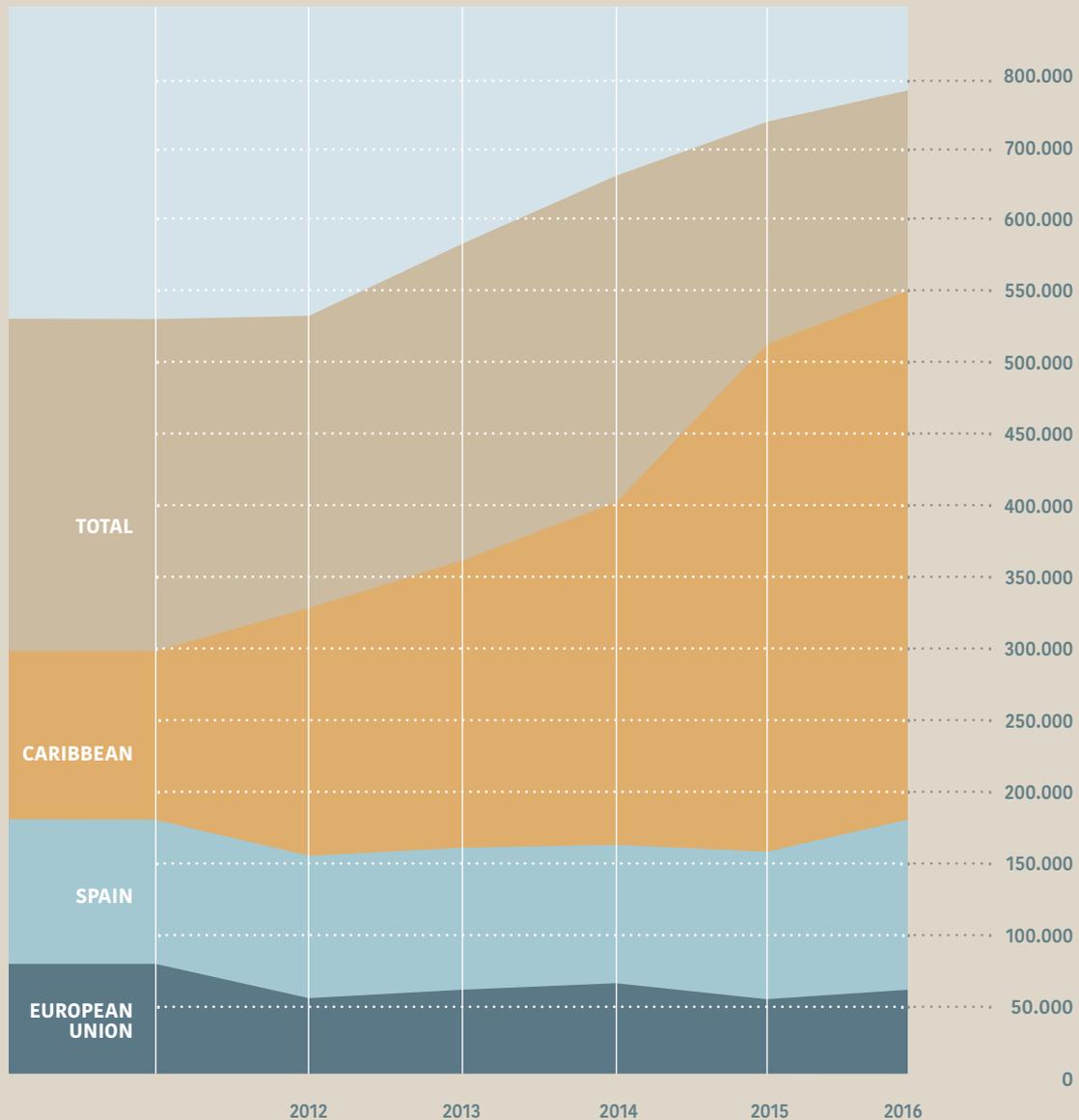
- 1 Jamaica**
Residential
188.415 m2
- 2 Jamaica**
Hotel and/or residential/golf area
812.579 m2



Grupo Piñero in figures

	2012	2013	2014	2015	2016	%
Consolidated Turnover	539.748	586.378	635.857	725.575	791.386	9,07
Consolidated Operating Profit	71.408	84.408	104.161	143.542	164.587	14,66
Consolidated Ebitda	104.814	109.422	131.090	171.161	195.209	14,05
Consolidated Profit	30.507	45.173	68.172	98.607	115.805	17,44
Consolidated Equity	231.713	268.332	379.592	519.574	653.803	25,83
Capital and Consolidated Reserves	257.518	302.614	370.786	469.393	585.202	24,67
Consolidated Non Current Assets	771.970	726.014	852.325	1.048.807	1.167.069	11,28
Revalued Fixed Assets Consolidated	2.153.229	2.125.501	2.444.736	2.783.915	3.051.072	9,60
Number of Hotels	25	25	24	24	25	-
Number of Rooms	11.407	11.701	12.110	12.649	13.127	3,78
Average Number of Employees Per Year	6.773	7.306	8.143	9.916	10.397	4,85

Turnover



TURNOVER	2012	2013	2014	2015	2016
EUROPEAN UNION	54.387	59.487	64.161	53.555	61.973
SPAIN	153.900	165.400	165.223	159.413	180.095
CARIBBEAN	331.461	361.491	406.473	512.607	549.318
TOTAL	539.748	586.378	635.857	725.575	791.386

STRATEGY

FOR CORPORATE SOCIAL
RESPONSIBILITY AT THE
GRUPO PINERO



In December 2014, the President formalised the implementation of a CSR management system at the Grupo Piñero. In January 2015, Corporate Social Responsibility was defined as one of the company’s horizontal strategies with the aim of consolidating it as a Sustainable enterprise.

The same year saw the definition of the “2015-2018 CSR Strategic Plan”, setting out the guidelines that are to govern the introduction of the project during its start-up phase. By late 2016, the Plan was at the consolidation stage at 11 hotels of the Bahia Principe Hotels & Resorts Division, and at the development stage at the remaining hotels of the Hotel Division and the other Group Divisions



GRUPO PIÑERO CSR GUIDELINES

The basic principles governing CSR at the Grupo Piñero are as follows:



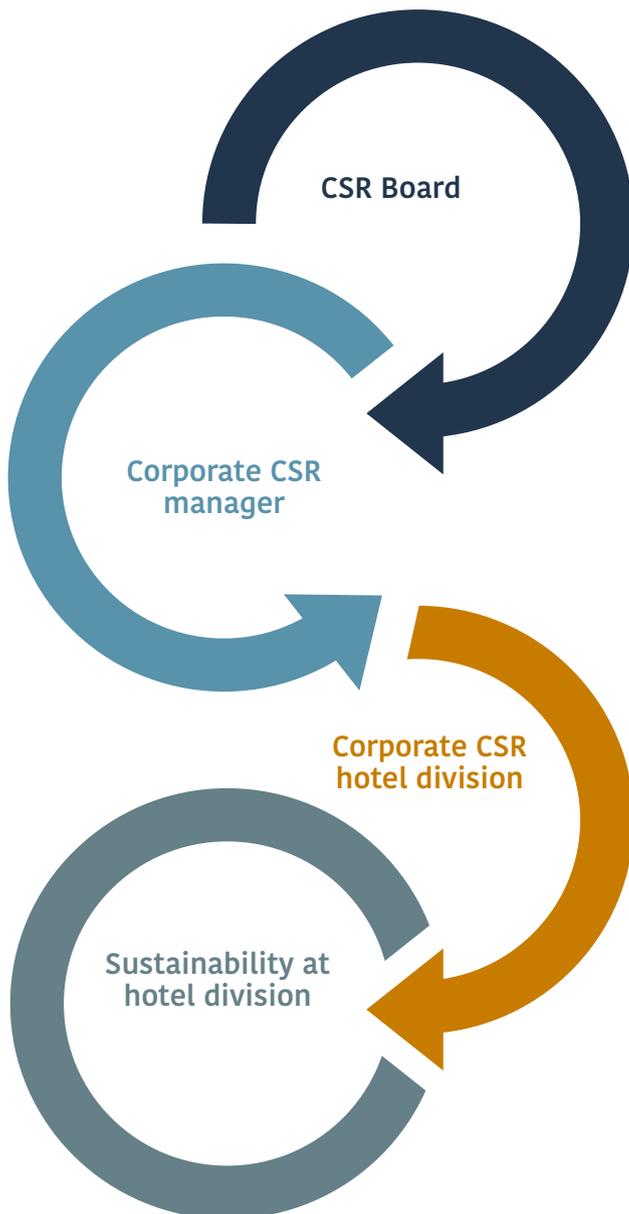
On the basis of the above principles, the Strategic Plan establishes and develops the following commitments:

Work with ethics, transparency and corporate good governance	Manage the company with criteria of reliability and transparency, with the aim of achieving profitability in the medium and long terms
Ensure quality of life at work	Offer opportunities for professional and personal development, within an established family company that is a leader on the international stage.
Generate value for the communities where we operate	Collaborate in the development of those communities where we have a presence, and also society at large, respecting and fostering culture and values, with a particular emphasis on children and young people.
Care for and preserve the environment	Make an active contribution to the preservation of the environment, monitoring the impact of our activities on the surrounding world, and fostering an awareness of sustainability with all our stakeholders.
Innovate through our products and services	Offer our customers experiences that make them happy, by continuously innovating through products and services.
Improve internal and external communication	Raise awareness, train and involve all our stakeholders in the importance of the contribution to sustainable development, and provide responsible, transparent and ethical information on all our actions to all our stakeholders.

THE ELEMENTS OF CSR AT OUR ORGANISATION

Policies Approved by the CSR Board, December 2014	They establish the basic principles and guidelines that steer activities towards a sustainable corporate management model, focused on creating value for the Group, and for society as a whole.
Strategic Plan Approved by the CSR Board, December 2014, for 2015-2018	It specifies the undertakings given by the company and establishes the operational framework for CSR, defining lines of action over a timeframe of three years.
Annual programme Drawn up and approved each year by the CSR Board	It sets out the objectives, actions and programmes to be undertaken by the company each year on the basis of the undertakings given in the strategic plan.
Monitoring and evaluation strategy Annual indicators approved at the CSR Board	Tools allowing us to evaluate and supervise the implementation and development of the annual programmes and of the Strategic Plan.

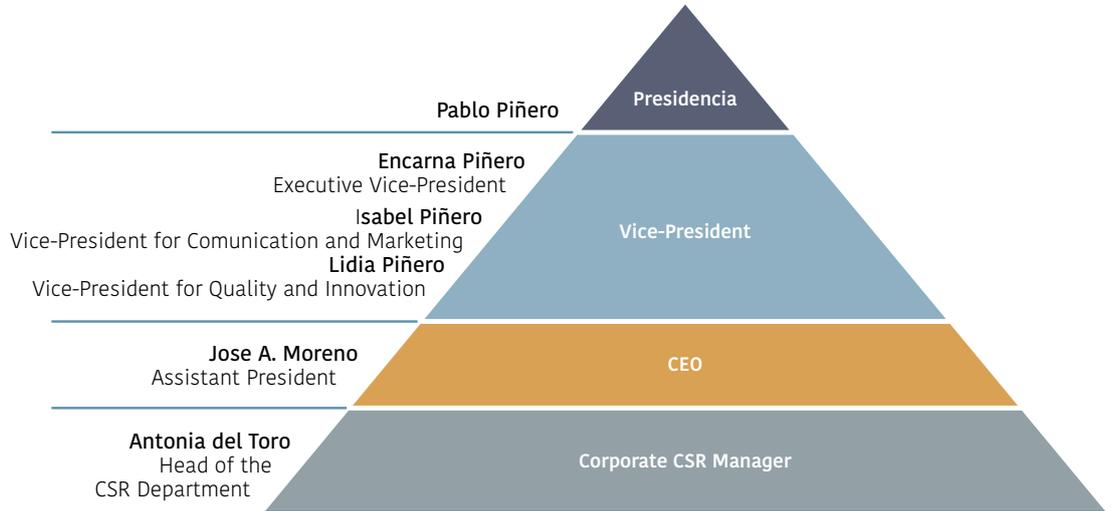
2016 CSR STRUCTURE



- Identify and steer policies, objectives, good practices, programmes and/or projects for sustainability and corporate social responsibility at the group.
 - Evaluate, monitor and review the action plans on the basis of the sustainability undertakings and policies drawn up by Group executives.
 - Periodically review the internal control and management systems, the level of fulfilment of objectives and the implementation of sustainability policies.
 - Approve the Social Report drawn up in the sphere of CSR.
 - Refer to the Group's Corporate Services Unit (the 'USC') the undertakings, policies, objectives and projects for Sustainability and Social Responsibility.
 - Evaluate and approve the budget for the execution and development of actions, programmes and/or projects.
-
- Propose policies, procedures and projects in the field of CSR to the CSR Board.
 - Coordinate the analysis of risks, opportunities and reputational factors.
 - Establish the route map and propose actions to the Board.
 - Coordinate the steering plans in the sphere of CSR; evaluate the execution of programmes and actions.
 - Advise on the implementation of the programmes and actions approved at the CSR Board across all company divisions.
-
- Implement the programmes approved at the CSR Board at the hotels.
 - Monitoring and oversight of the action plans at the hotels
 - Coordination with the corporate CSR Manager.
-
- Execute the action plans devised by the Corporate Social Responsibility Department.
 - Devise actions and projects defined by the Grupo Piñero CSR Board.
 - Propose actions or projects to the CSR Board.

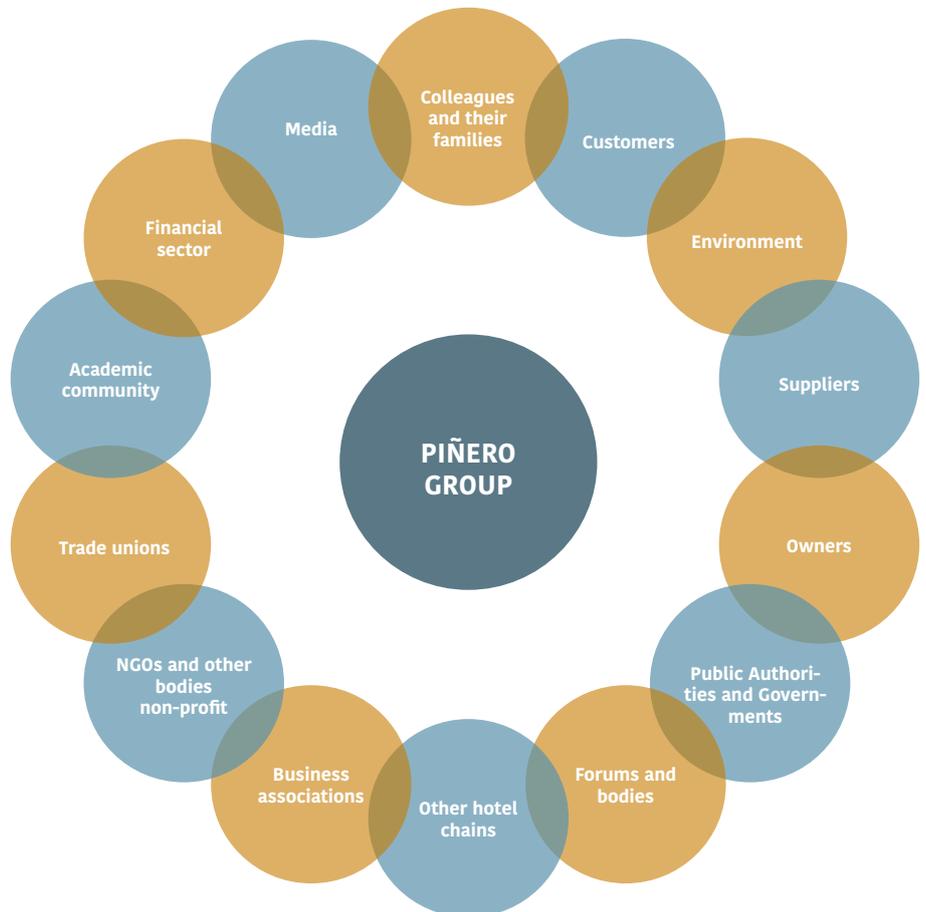
THE CSR BOARD

Corporate Social Responsibility is managed at the Grupo Piñero through the CSR Board, a horizontal element that drives sustainability and relationships with the Group's stakeholders.



STAKEHOLDERS

In 2016, the Grupo Piñero identified and classified its stakeholders, so as to establish long-term links to each of them over the years.



The Grupo Piñero gives importance to having a proactive relationship with all stakeholders, based on consultation and dialogue, in particular in the case of colleagues, customers and suppliers. The company undertakes surveys of customers, colleagues and suppliers, along with meetings and special gatherings with colleagues, so as to ascertain their needs and expectations and to launch continuous improvement actions with a view to achieving their satisfaction and a sense of belonging.

Colleagues	Media, intranet, Piñero Magazine, employee portal, human resources noticeboards, activities and meetings with colleagues and their representatives
Customers	<p>Travel Division</p> <ul style="list-style-type: none"> • Personalised sales staff who visit Travel Agencies and Tour Operators, eliciting the needs and expectations of customers, and providing information about the products and services we offer • Specialist websites for Travel Agencies • Call Centre to handle Travel Agencies • Specific conferences and meetings for Travel Agencies and Tour Operators. • Attendance at specialist Trade Fairs, where meetings are held with Travel Agencies and Tour Operators. • Publications and communications via press and social media about products and services, as well as the latest news
	<p>Hotel Division</p> <ul style="list-style-type: none"> • Social media, online and written satisfaction surveys, responses to complaints and suggestions
End customer	<ul style="list-style-type: none"> • Online satisfaction surveys at the hotels of our Bahia Principe Hotels & Resorts company. • Written satisfaction surveys at the other company divisions. • Bespoke guide services at the end destination, handling all customer complaints and suggestions, along with customised information about our services. • Points providing information and receiving complaints and suggestions at all Group hotels, customer service at Coming2 for all services, and owner service at the Riviera Maya and La Romana Residential Developments • Communication via social media at every division of the company: Facebook, Twitter, Instagram, LinkedIn. • Publications and communications via a range of media (television, press).
Suppliers	Collaboration meetings, surveys, distribution of sustainability policies and presentation of the Social Report
Local Community	Continuous dialogue with local communities forms a part of our commitment. This is the most practical way to uncover needs so as to focus actions and/or social investment projects. This commitment was reflected in the Social Action Procedure approved in 2016.

SOCIAL DIMENSION AT THE GRUPO PINERO



COLLEAGUES

Our colleagues are the Grupo Piñero's main asset, and form a part of our family. Motivation, qualifications and commitment are the cornerstones of the organisation.

During 2016 we achieved major results in this field, as set out below:

Employment Development

The average workforce increased by 25.81%, with an average of 3,510 new jobs created.

		Average Workforce			Executives		
		TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
2016	SPAIN	1.170,83	581,17	589,67	51,08	35,00	16,08
	JAMAICA	2.447,00	1.338,86	1.108,14	11,00	8,00	3,00
	MEXICO	3.457,00	2.419,00	1.038,00	41,00	32,00	9,00
	DOMINICAN REPUBLIC	8.712,00	6.246,00	2.466,00	227,00	166,00	61,00
	OTHER DESTINATIONS	36,00	14,00	22,00	3,00	2,00	1,00
	TOTAL	15.822,83	10.599,02	5.223,81	333,08	243,00	90,08

		Average Workforce			Executives		
		TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
2015	SPAIN	1.053,59	526,76	526,83	35,67	22,67	13,00
	JAMAICA	1.551,00	804,00	747,00	11,00	8,00	3,00
	MEXICO	3.085,40	2.154,30	931,10	16	10,00	6,00
	DOMINICAN REPUBLIC	6.586,75	4.456,78	2.129,97	89,18	57,97	31,21
	OTHER DESTINATIONS	36,00	14,00	22,00	3,00	2,00	1,00
	TOTAL	12.312,74	7.955,84	4.356,90	154,85	100,64	54,21

2016/2015 COMPARISON

		Average Workforce			Executives		
		TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
INCREASE							
SPAIN		11,13%	10,33%	11,93%	43,21%	54,39%	23,72%
JAMAICA		57,77%	66,52%	48,35%	0,00%	0,00%	0,00%
MEXICO		12,04%	12,29%	11,48%	156,25%	220,00%	50,00%
DOMINICANA REPUBLIC		32,27%	40,15%	15,78%	154,54%	186,36%	95,45%
OTHER DESTINATIONS		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
TOTAL		28,51%	33,22%	19,90%	115,10%	141,45%	66,17%



- Approval of the Bahia Principe Hotels & Resorts Social and Cultural Policy
- Approval of the Internal Regulation in the Dominican Republic
- Updating of the staff recruitment and selection procedure.
- Review and updating of the Induction and Welcome Plan.

Compensations

- Introduction of variable salaries for certain new positions and levels on a progressive basis.
- Deployment and development of tax optimisation (tax exemption established in Article 7 p) of the Income Tax Act.
- Review and updating of Contact Centre and Sales Staff incentives plans.

Training and Development

- Design of an in-person and online training plan.
- New editions of the Executive Development Programme for the hotels in the Caribbean.
- Launch of a talent detection and internal promotion system at the pilot stage, at the Bahia Principe Hotels & Resorts Costa Adeje complex.
- **173,588 hours of training, 121,467 hours of which addressed the issue of sustainability.**

Social Security, Help and Well-being

- Update to the Equality and Fairness Plan for all companies at CNT.
- Improvement to the flexible remuneration system, and introduction of new social benefits.
- Incorporation of the “Healthy Company” Programme. This concept has been developed above all at the hotels in Mexico and at the corporate offices, involving a total of 800 participants.
- An investment of 4 million euros has been made, focused on improving colleagues areas at the Bahia Principe Hotels & Resorts hotels in the Caribbean.
- Various activities have been undertaken, focused on leisure and sociability for colleagues at the Caribbean destinations.

Integration

The Grupo Piñero works with such foundations as:

- Exit Foundation
- ADECCO Foundation, for the development of the Family Plan



LOCAL COMMUNITY

Our relationship with the local community is underpinned by: DIALOGUE, CONTRIBUTION AND SOCIAL COLLABORATION

The Grupo Piñero holds that it should be an active player in the sustainable development of society in those local communities where it operates, contributing to improving the quality of life of the population.

It has since 2015 been monitoring and evaluating its social initiatives in order to establish a comprehensive overview, and so be in a position to analyse the investment it makes in society.

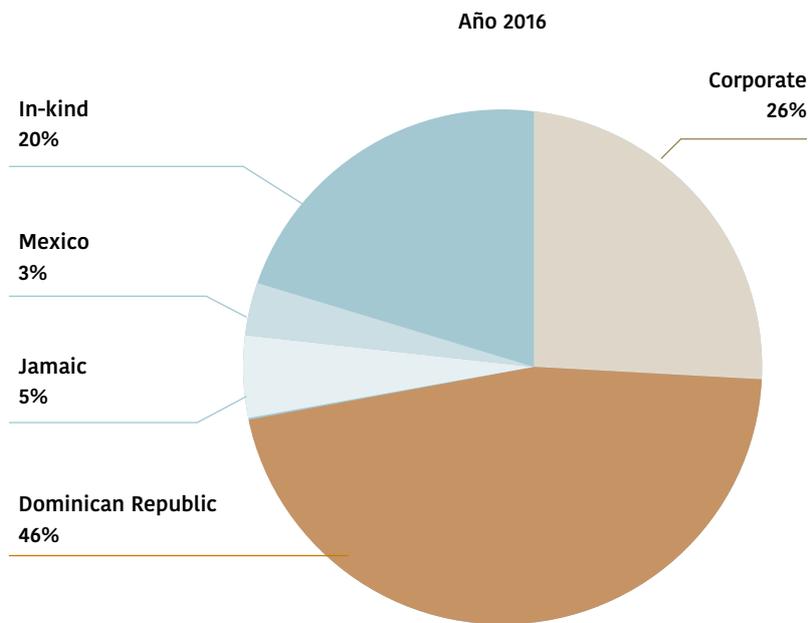
Through the approval of its social and cultural initiatives, the Grupo Piñero takes on the following commitments:

- Prioritise the **hiring of local staff** as a means of directly contributing to the development of the local community.
- Make a positive contribution to the **development of the local communities** where we operate, undertaking social projects to improve quality of life, with a clear respect for local culture, providing direct incentives for communities, all of which is achieved through continuous dialogue with them.
- Ensure **legal compliance** at the local, national and international levels, protecting the community from any type of abuse or harassment, and ensuring that human rights are respected.
- Develop mechanisms to detect and **report the sexual or employment exploitation of children**.

The Grupo Piñero deems the hiring of local staff to be a priority, as a means of making a direct contribution to the development of the local community.

90% of our workforce is drawn from the local population.

We contributed an investment of 123,000 euros, a 19% increase on the previous year.



Distribution of social investment

In percentage terms, the Dominican Republic received the greatest investment, this being a location where the Grupo Piñero has a great many businesses.

The most significant projects and initiatives included are the following:

- **Renewal of the collaboration with Felizia Tam**

During the year the premises of the Bahia Principe Hotel & Resorts Complex, in collaboration with other companies belonging to the organisation, Coming2, and Tropic One, staged a programme with the aim of improving the quality of life of children with special needs and their relatives, through daily thalassotherapy and dolphin therapy sessions, and other complementary activities. The programme was intended for Spanish and Dominican families.

- **Second year of the Chance Project**

In partnership with Barceló Hotels & Resorts, Majestic Resorts, Iberostar Hotels & Resorts and RIU Hotels & Resorts, the Chance Project was staged for the second year in 2016. A training programme for young people at risk of racial exclusion from the Verón and Bávaro communities.

- **Renewal of the partnership with the Nuestros Pequeños Hermanos Orphanage**

For the fourth year running we collaborated with the Nuestros Pequeños Hermanos Children's Home in San Pedro de Macoris, donating food staples and a work experience scheme for young people who have completed their baccalaureate studies, conducted at the Hotel Grand Bahia Principe La Romana.

- **Collaboration with the "Unidos por Samaná" campaign**

Collaboration by all the RD hotels with the Local Councils and Samaná Tourism Cluster in the "Unidos por Samaná" campaign, donating equipment no longer in use and food for families affected by the flooding in October.

- **Participation with the Spain-Jamaica Foundation**

Through its membership of the Spain-Jamaica Foundation, the Grupo Piñero - Bahia Principe took part once again in the projects undertaken by the Foundation.

- **Collaboration with the St. Ann's Bay Hospital**

The management and staff of Bahía Príncipe Jamaica once again performed voluntary work for the Paediatric Ward of the hospital during 2016. This volunteering scheme began back in 2011.

- **Collaboration with Sonrisa Médica**

The Grupo Piñero continued its collaboration with the Sonrisa Médica charity for the fourth year running. The aim of the organisation is to transform medical settings through humour.

- **Collaboration with Mallorca Sense Fam**

For the fourth year running, the Grupo Piñero maintained its partnership with Mallorca Sense Fam. The Association deals with families in need, collecting, distributing and handing out food.

- **Collaboration with Mula Local Council**

For the fifth year running, the Grupo Piñero made an economic donation intended for individuals suffering situations of social emergency in the town of Mula.

- **Activities for the local community at destinations**

Environmental projects are undertaken in partnership with the Ecobahía Foundation, with the focus on the local community, schools and customers to mark World Days, including beach cleaning, reforestation and cleaning of the parks of Chemuyil and environmental trails. Theoretical and practical workshops for colleagues and the local community, at which the participants learn alternative techniques for the production of potentially saleable items.

- **Donations of stays at our hotels.**

These include in particular:

"Yo Tambien Palma Aquarium" Rotary Club Gala



Aspanob Charity Dinner

Rotary Club Charity Golf Tournament

Majorca Classic Week Charity Prize Draw (Mallorca Sense Fam)

- **Donations of equipment no longer in use**

Donation of equipment to the Tulum Alcoholics Anonymous Association

- **Other cultural promotion partnerships**

Support for local craftspeople through craft markets at the Bahia Principe Hotels & Resorts establishments.

Themed parties at destinations, promoting local cuisine and folklore.

- Representation of traditional cultures, such as the Day of the Dead festivities at the Bahía Príncipe Riviera Maya complex.

Promotion of outings to take in the natural and cultural riches of the region.

Collaboration with the Palma 365 Foundation to promote Majorca.

- **Other initiatives with an impact on the local community**

Signatory to the ECPAT Code since 2013

Partnership with other hotel chains: Barceló Hotels & Resorts, Majestic Resorts, Iberostar Hotels & Resorts and RIU Hotels & Resorts.

Participation in business associations and organisations, notably:

- EHIB (Hospitality Sector Institute of the Balearic Islands)
- FEHM (Majorca Hotels Federation)
- ACH (Association of Hotel Chains)
- Palma 365 Foundation
- ABEF (Family Company Association)
- APD (Association for Management Progress)
- Inverotel (Association of Hotels Investing in the Caribbean)



SUPPLIERS

Integration of sustainability within the purchasing process

During 2016, the corporate purchasing department established its position by becoming the Corporate Purchasing and Logistics Division of the Group. A new Goods and Services Acquisition Policy was approved, along with the Corporate Purchasing and Logistics Manual for our Hotel Division. These documents have made an active contribution to improving sustainability at our hotels, through the inclusion of product purchasing and supplier selection criteria to make us more sustainable and committed.

From this year onwards...

- As far as possible, we purchase products manufactured and/or grown locally and in accordance with sustainable criteria.
- We prioritise purchases of products that minimise the generation of waste through wrappers and other packaging, encouraging as far as possible the acquisition of goods supplied in bulk and sustainably produced.
- We place importance on the purchasing of products offering high energy efficiency so as to reduce energy consumption.
- We establish mechanisms for the selection of suppliers who work with sustainable criteria in their goods production, packaging and transportation processes.
- We use products that comply with the legal hygiene and environmental requirements.
- We prioritise the purchasing of certified products that employ raw materials in accordance with criteria that fulfil regulations for the preservation of protected species of flora and fauna.

The introduction of these purchasing and selection criteria have achieved the following results:

- 90% of suppliers are based in the destinations where we operate.
- Sustainability certificates have been established as an aspect rewarded among the supplier selection and approval criteria.
- The Bahia Principe Hotels & Resorts establishments in the Caribbean have 238 biodegradable and 450 energy-efficient products in use.
- At the Bahia Principe Hotels & Resorts Complex, all products purchased are fair trade, and at the hotels in Mexico, a fair trade coffee supplier has been introduced.
- Sustainability policies have been sent out to 99% of suppliers at the Caribbean destinations.



CUSTOMERS

Service quality and full customer satisfaction are the fundamental cornerstones of the Grupo Piñero.

The Grupo Piñero has a clear customer focus. The company employs an internal quality management model with the aim of generating value-added, and of satisfying its customers.

Satisfaction of customer needs and expectations is the fundamental aim of the Grupo Piñero. The company has in place different types of customer depending on the division in question: Travel Agencies, Tour Operators, end customers and property owners at the Residential Division.

The Grupo Piñero works day by day to achieve full customer satisfaction by continuously enhancing its services, taking into account critical aspects detected by means of internal audits, and the analysis of complaints and suggestions from all customers.

Customer service quality

The quality management and control area strives to maintain service quality so as to achieve full satisfaction. The Corporate Quality Policy sets out the principles and commitments in this regard. This commitment is structured by means of the Group's Sustainability strategies, which set out continuous improvement targets.

- **Hotel Division audits**

Continuous internal audits are performed by the Quality Department at all hotels, covering aspects of all services.

Country	2016	2015
MEXICO	536	1.313
DOMINICAN REPUBLIC	773	929
JAMAICA	361	296
TOTAL	1.670	2538

The goal in 2016 was to reduce the number of audits so as to achieve better results in terms of the detection of areas for improvement

- **Audits of the Travel Division and other businesses**

Internal audits are held at least once per year of all Travel Division services, as well as the other company divisions.

- **Health and Safety**

At the Hotel Division, the techniques required to monitor and eliminate any factors that would represent a risk to the health of our customers and colleagues are applied.

Hygiene and analysis are vital for the swimming pools, and the water and ice consumed by customers, with wells and water tanks being supervised through the application of corrective and/or preventive measures to address any critical points detected.

- **Hazard Analysis and Critical Control Points**

The Hotel Division conducts comprehensive control of the entire food chain to offer the very best produce. An extensive hazard analysis and critical control points system has been put in place at the hotels, serving to guarantee that our meals service is safe and offers customers the highest levels of quality. The average score at our hotels in 2016 was 75%.



Other milestones in 2016	Nº
OPERATIONAL MANUALS APPROVED	1
OPERATIONAL PROCEDURES APPROVED AND IMPLEMENTED	50

Figures for complaints and claims handled in 2016

BAHIA PRINCIPE HOTELS & RESORTS	3.575
VIAJES SOLTOUR SPAIN	1.062
VIAJES SOLTOUR PORTUGAL	1.059

Customer satisfaction

- Satisfaction surveys (Hotel Division)

- Average satisfaction rate in 2016 was 86%
- Recommendation rate 63%
- Increase in questionnaires completed compared with 2015: 21.83%

- Handling of customer complaints and claims

The Grupo Piñero acts with due diligence in response to customer complaints and claims. We have a Complaints and Claims Department covering all divisions of the company, by means of procedures approved at the corporate level. To this end, a range of channels is established to:

- Register and measure the number of suggestions, complaints and claims received.
- Assign individuals responsible for resolving and responding to all suggestions, complaints and claims. The individuals responsible vary according to the different businesses that make up the company.
- They evaluate the reasons and resolve the claims.
- They provide customers with feedback as to the resolution and handling applied to each type of claim.
- They analyse results and propose improvement action plans.
- Analizan resultados y proponen planes de acción de mejora.



INNOVATION

The Grupo Piñero integrates innovation at its divisions, as a tool to achieve competitive advantages, focusing on the incorporation of sustainability as a means of creating value-added for its products and services

2016 milestones

■ The Grupo Piñero presented **TURISCAR**, a company specialising in the development and sale of electric vehicles used for travel within the various areas of the hotels.



■ Creation of the **WEBAPP** for Bahia Principe Hotels & Resorts, a commitment to enhancing the digital tools available to guests.



■ Implementation of the loyalty scheme Bahia Principe **BAHIA PRINCIPE REWARDS** for Travel Agents, with the slogan 'Your Clients – Your Rewards'.



■ Riviera Maya Golf Club launched a new sports concept named **BAHIA PRINCIPE GOLF ACADEMIES** for golf lovers

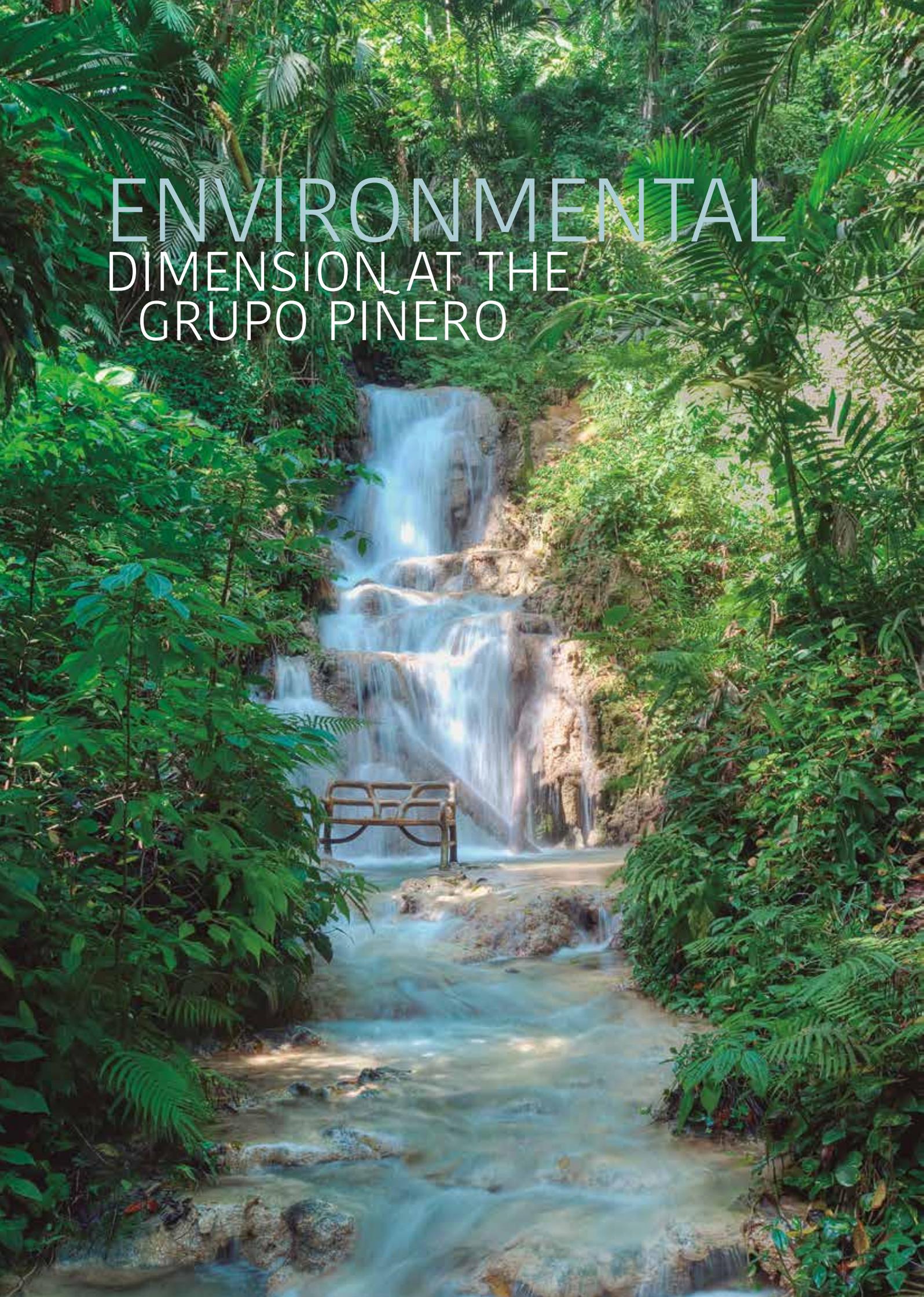
■ Incorporation of **WHISBI**, a new tool for the Bahia Principe Hotels & Resorts Call Centre, serving to enhance the user experience in real time



■ In 2016 the first edition of the **BAHIA PRINCIPE GOLF OPEN**, was staged at Riviera Maya Golf Club.



ENVIRONMENTAL DIMENSION AT THE GRUPO PINERO



ENVIRONMENT

2016 was for us the launch year of the environmental management programme within the Grupo Piñero corporate structure.

The approval of our Environmental Policy established an environmental commitment in our operations, through a series of clear undertakings. This year we defined environmental objectives, as the basis for a working plan used to develop initiatives focused on the fulfilment of these goals.

The most significant and ambitious project in 2016 in this area was **the Integrated Waste Management Plan at the hotels in the Dominican Republic and Jamaica**, achieving substantial results and environmental benefits.

Another series of policies likewise had a huge impact on the environmental management of our hotels, including the new Goods and Services Acquisition Policy, serving to improve the relationship with our suppliers, by selecting more sustainable products and services.

During the year we managed to...

- **Reduce the kWh/person ratio by an average of 6%, avoiding the consumption of 12,000 MWh at all our hotels in the Caribbean, by**
 - Replacing industrial equipment with other more energy-efficient models
 - Improving preventive maintenance plans to optimise consumption
 - Replacing a great many light fittings with more efficient LED alternatives in communal areas and rooms
 - Installing timers and control units for the buffet equipment and outdoor areas to improve the process of switching power on and off
 - Using presence detectors in internal and external transit areas to optimise operations
 - Monitoring consumption at all our hotels to detect any operational anomalies

- **Improve the litres/person ratio by 3.5%, avoiding the consumption of some 147,000 m3**
 - Renewing a number of our water treatment and filtration devices to improve water quality
 - Constructing a new Waste Water Treatment Plant at our La Romana complex
 - Improving our preventive maintenance plans, by likewise including all water-related installations
 - Optimising the functioning of our Waste Water Treatment Plants
 - Installing water-efficient equipment for new developments

- **Recover more than a 900 tonnes of recyclable waste, plus 6 tonnes of hazardous waste, and more than 125 tonnes of used cooking oil. Overall, we reduced the amount of waste taken to landfill by over 1,200 tonnes..**
 - By minimising the generation of waste through new sustainable purchasing criteria
 - By segregating waste where it is generated



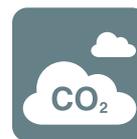
WE AVOIDED CONSUMPTION OF MORE THAN 12,000 MWH OF ENERGY



WE AVOIDED USE OF 150 DM3 OF WATER AT OUR HOTELS



WE AVOIDED SENDING MORE THAN 1,200 TONNES OF WASTE TO LANDFILL



WE AVOIDED MORE THAN 5,000 TONNES OF ATMOSPHERIC CO2

- Installing different recycling bins at each of the areas and departments.
- Through separate storage to avoid mixing waste and to facilitate recycling
- Handing waste over to authorised managers for reuse or appropriate disposal.
- Recovering metal, glass, paper and cardboard, plastic, used oil, electrical apparatus and hazardous waste.
- Monitoring the amounts generated

- **Create safer workplaces for our employees, more attractive areas for our customers and healthier environments for local populations**

- Improving our chemical product storage
- Increasing the training to staff working with such products
- Prohibiting incorrect practices on our premises
- Detecting and improving certain discharge points
- Establishing a monitoring and control mechanism for the functioning of our Waste Plants



- **Train thousands of colleagues in the importance of recycling, saving energy, properly managing water and caring for our biodiversity**

- Improving the Internal Training Plan, including specific actions with an environmental content
- Defining a standard calendar throughout the group to increase the quantity and quality of actions performed each year with regard to customers

- **Inform millions of customers that Bahía Principe Hotels & Resorts uses sustainability as a tool for change at its destinations**

- Developing a series of Good Environmental Practices, for both customers and colleagues
- Publicly posting our Sustainability Charter in our reception areas

- **Respect species at risk and improve the natural settings around our hotels**

- Respecting wildlife reserves and other criteria to care for species
- Planting local species in hotel gardens to foster local biodiversity
- Establishing an invasive species elimination plan on our properties
- Controlling pests that harm biodiversity (domestic cats)



- **Reduce our carbon footprint, by avoiding more than 5,000 tonnes of atmospheric CO2 emissions.**

- Monitoring our atmospheric emissions
- Using electric vehicles for transportation within our hotel complexes
- Planting trees to offset our emissions

The Grupo Piñero and the Ecobahía Foundation likewise contribute to the protection of flora, fauna and natural environments in Mexico

- Sea Turtle Protection Programme

- Record number of loggerhead turtle nesting sites
- Satellite transmitters fitted to adult female loggerhead turtles to learn about their movement patterns in the wild
- 99% sighting of all females arriving at our beach
- Increased collaboration from local residents, visitors, Bahia Principe Hotels & Resorts volunteers in the total protection programme

- Project to promote local practices and customs and the Mayan culture

- Meliponarium: Creation of a breeding zone for stingless honeybees (Mayan bees)
- Chef's Garden: Creation of a small kitchen garden growing vegetables and herbs to be used at the Hotel Sian Kaan

- Native fauna protection and conservation project

- Construction and equipment for a Wildlife Recovery Centre on the Riviera Maya

Also in partnership with the Ecobahía Foundation, the company was involved in:

- Participation at COP 13.

The 13th Conference of the Parties (COP 13) of the United Nations, bringing together representatives of the key countries and players for the application of the Convention on Biological Diversity (CBD)

- Participation at the first Environmental Awareness Forum, in collaboration with the Tulum Hotel Association

Challenges for the coming years

Our environmental challenges for the future are:

- Encourage the usage of renewable energies
- Replace obsolete equipment to optimise energy efficiency
- Continue implementing co-generation at our industrial facilities
- Install smart devices to monitor consumption levels
- Reuse our organic waste for energy generation and achieve 0 dumping
- Make use of cooking oil to produce biodiesel
- Reuse some waste as construction materials on future developments
- Continue reducing water consumption at all our facilities
- Reuse grey water from our projects
- Implement technologies for more sustainable water management
- Modernise all our waste water treatment plants
- Reuse the water treated for secondary purposes
- Take part in schemes to offset our emissions
- Create our own premises to raise local plant species
- Make a more active contribution to preserving biodiversity



ACKNOWLEDGEMENTS



SUSTAINABILITY CERTIFICATES

In 2016, the Grupo Piñero and the Bahia Principe Hotels & Resorts establishments received many of the most prestigious international accolades for quality and sustainability awarded in the tourism sector.

		 Travelife Golf	 Earth Check	 S" Mark
1	Luxury Bahia Principe Ambar	X		
2	Luxury Bahia Principe Cayo Levantado	X		
3	Grand Bahia Principe Cayacoa	X		
4	Grand Bahia Principe La Romana	X		
5	Grand Bahia Principe Portillo	X		
6	Grand Bahia Principe Punta Cana	X		
7	Luxury Bahia Principe Sian Kaan	X	X	X
8	Luxury Bahia Principe Akumal	X	X	X
9	Grand Bahia Principe Coba	X	X	X
10	Grand Bahia Principe Tulum	x	X	X
11	Grand Bahia Principe Jamaica	X		

OTHER NOTABLE ACCOLADES

■ The President of the Grupo Piñero receives an award from the **ESERP FOUNDATION** for his dedication to tourism, on 1 July in Palma, Majorca



■ Grupo Piñero chosen as “**2016 Group Winner**” by the British company **Cristal International Standards** as best tourism company in the Caribbean 23 April in Punta Cana - Dominican Republic



■ Bahia Principe Hotels & Resorts achieves prestigious TRAVELIFE GOLD certification at 7 hotels in the Dominican Republic and Jamaica, 29 September.



■ Bahia Principe consolidates its position of excellence, with 20 of 22 hotels receiving the **Tripadvisor Certificate**, 27 May.

■ US tour operator **APPLE VACATIONS** awards Bahia Principe eight Golden Apples and selects Grand Bahia Principe Coba as best family hotel. 12 September in Chicago.



■ **BLUE FLAG**

The beaches of Bahía Príncipe Hotels & Resorts in the Dominican Republic have once again been awarded a Blue Flag, specifically the beaches of Cayo Levantado Don Pablo Collection, Grand Bahia Principe Cayacoa, Grand Bahia Principe El Portillo, Grand Bahia Principe San Juan, Grand Bahia Principe La Romana and Complejo Bahia Principe Bávaro



■ **CLEAN BEACHES**

For the sixth year running, the beach of the Hotel Grand Bahía Príncipe Tulum received Certified Beach accreditation issued by the Mexican Standardisation and Certification Institute

